

Hearing Date and Time: December 17, 2013

Objection Deadline: December 9, 2013

SAN MARINO BUSINESS PARTNERS LLC

607 Foxwood Road

La Cañada, CA 91011

Telephone: 626-833-9978

Facsimile: 213-416-9945

Bradford Cornell

*Consultant to the Official Committee
of Unsecured Creditors*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

_____)	
In re:)	Case No.12-12020 (MG)
)	
RESIDENTIAL CAPITAL, LLC, et al.,)	Chapter 11
)	
Debtors)	Jointly Administered
_____)	

**THIRD INTERIM APPLICATION OF SAN MARINO BUSINESS PARTNERS LLC AS
CONSULTANT TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES INCURRED FOR
THE PERIOD MAY 1, 2013 THROUGH AUGUST 31, 2013**

Third Interim Application

Applicant:	San Marino Business Partners LLC
Authorized to Provide Professional Services to:	Official Committee of Unsecured Creditors
Date of Retention:	August 11, 2012
Period for which Compensation and Reimbursement is sought:	May 1, 2013 through August 31, 2013
Amount of Compensation Sought as Actual, Reasonable, and Necessary:	\$16,424.00
Amount of Expense Reimbursement Sought as Actual, Reasonable, and Necessary	\$36.66

Please see Invoice Summary on the following page

SAN MARINO BUSINESS PARTNERS LLC
607 Foxwood Road
La Cañada, CA 91011

SECOND INTERIM FEE APPLICATION OF SAN MARINO BUSINESS PARTNERS LLC
(For the Period from May 1, 2013 through August 31, 2013)

Invoice: SMBP063-RC

Date Submitted: November 18, 2013

Date Filed	Invoice No	Compensation Period	Requested Fees	80% Fees Paid	Requested Expenses	Expenses Paid	20% Fee Holdback
7/2/2013	SMBP061-RC	5/1/2013 - 5/31/2013	17,080.00	13,664.00	36.66	36.66	3,416.00
7/2/2013	SMBP061-RC	5/1/2013 - 5/31/2013	(656.00)	0.00	0.00	0.00	(656.00) ***
n/a	n/a	6/1/2013 - 6/30/2013	0.00	0.00	0.00	0.00	0.00
n/a	n/a	7/1/2013 - 7/31/2013	0.00	0.00	0.00	0.00	0.00
n/a	n/a	8/1/2013 - 8/31/2013	0.00	0.00	0.00	0.00	0.00
TOTALS			16,424.00	13,664.00	36.66	36.66	2,760.00

Amount Due: \$2,760.00

TIMEKEEPERS SUMMARY - SAN MARINO BUSINESS PARTNERS LLC

(For the Period from May 1, 2013 through August 31, 2013)

Name of Timekeeper	Job Title	Hourly Rate	Hours Billed	Total
Bradford Cornell	Managing Director, Expert	975.00	16.00	15,600.00
Bradford Cornell	Managing Director, Expert	487.50	0.00	0.00 *
Ed Bergstrom	Controller	400.00	3.70	1,480.00 (1)
Ed Bergstrom	Adjust to 5% Fee App Limit			(656.00) (2)
Andrew Cornell	Vice President	250.00	0.00	0.00
TOTALS FOR PERIOD			19.70	16,424.00 (3)
BLENDED HOURLY RATE		833.71		

* Non-working travel rate

*** NOTE: [(1)+(2)/(3)] = 5.0%

PROJECT CATEGORIES:

(For the Period from May 1, 2013 through August 31, 2013)

Category	Description	Hours Billed	Total
1	RMBS Analysis	16.00	15,600.00
2	Retention/Fee Applications	3.70	1,480.00
2A	Adjust to 5% Fee App Limit		(656.00)
3	Non-Working Travel	0.00	0.00
TOTALS FOR PERIOD		19.70	16,424.00

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Bradford Cornell

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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Debtors)	Jointly Administered
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**THIRD INTERIM APPLICATION OF SAN MARINO BUSINESS PARTNERS LLC AS
CONSULTANT TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES INCURRED FOR
THE PERIOD MAY 1, 2013 THROUGH AUGUST 31, 2013**

TO THE HONORABLE MARTIN GLENN
UNITED STATES BANKRUPTCY JUDGE:

For its third interim application for compensation and reimbursement of expenses ("the **Application**") for the period May 1, 2013 through August 31, 2013 (the "**Application Period**"), San Marino Business Partners LLC ("**Applicant**"), as consultant and expert witness to the Official Committee of Unsecured Creditors (the "**Committee**") for evaluating for the proposed settlement of the Debtors' RMBS liabilities, respectfully represents as follows:

JURISDICTION, VENUE AND STATUTORY PREDICATES

1. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue of this proceeding and this Application in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory bases for the relief requested herein are sections 330, 331, and 1103 of Title 11 of the United States Code (the "**Bankruptcy Code**"), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), and Rule 2016-1 of the Local rules for the United States Bankruptcy Court for the Southern District of New York (the "**Local Rules**"). This Application has been prepared in accordance with the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases, adopted by the Court on January 23, 2013 (the "**Local Guidelines**"), the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 effective January 30, 1996 (the "**UST Guidelines**" and, together with the Local Guidelines, the "**Guidelines**"). Pursuant to the Guidelines, a certification regarding compliance with the Guidelines is attached hereto as Exhibit 1.

BACKGROUND

A. The Chapter 11 Cases

3. On May 14, 2012 (the "**Petition Date**"), each of the Debtors filed a voluntary petition in this Court for relief under Chapter 11 of the Bankruptcy Code. The Debtors are managing and operating their businesses as debtors in possession pursuant to Bankruptcy Code

sections 1107(a) and 1108. These cases are being jointly administered pursuant to Bankruptcy Rule 1015(b). No trustee has been appointed in these Chapter 11 cases.

4. On May 16, 2012, the United States Trustee for the Southern District of New York (the "**U.S. Trustee**") appointed a nine member official committee of unsecured creditors (the "Creditors' Committee.")

5. On June 20, 2012, the Court directed that an examiner be appointed, and on July 3, 2012, the Court approved Arthur J. Gonzalez as the examiner [Docket Nos. 454, 674].

B. Applicant's Retention and Interim Compensation

6. On July 17, 2012, the Court entered the Order *Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* (the "**Interim Compensation Order**") [Docket No. 797]. Pursuant to the terms of the Interim Compensation Order, Applicant, among others, is authorized to file and submit monthly fee applications to the Debtors and their counsel, counsel for the Creditors' Committee, counsel for Ally Financial Inc., counsel for Barclays Bank PLC, and the United States Trustee (collectively, the "**Notice Parties**").

7. On August 27, 2012, the Committee applied for entry of an order authorizing it to retain San Marino Business Partners LLC ("SMBP") as consultant and possible expert witness for the Committee.

8. On September 13, 2012, the Court entered the "*Order Approving Retention of San Marino Business Partners LLC as Consultant to the Official Committee of Unsecured Creditors, NUNC PRO TUNC to August 11, 2012*" [Docket No. 1433].

C. Statements submitted under the Third Interim Fee Application Period from May 1, 2013 through August 31, 2013

9. On July 2, 2013, Applicant served its monthly fee statement covering the period from May 1, 2013 through May 31, 2013 (the "**May Monthly Fee Statement**") on the Notice Parties. This is the only fee statement submitted by the Applicant during the Third Interim Fee Application Period.

10. The total payments received as of the date hereof are equal to: (i) 80% of requested compensation (Fees) from the original May Monthly Fee Statement and (ii) 100% of requested expenses from the May Monthly Fee Statement. Specifically, to date, Applicant has received payments totaling \$13,700.66, representing \$13,664.00 in fees and \$36.36 in expenses.

11. Applicant maintains computerized records of the time expended in the performance of its professional services required by Committee. These records are maintained in the ordinary course of the Applicant's practice.

12. Applicant also maintains computerized records, along with original receipts, of all expenses incurred in connection with its performance of professional services required by the Committee.

13. For the convenience of this Court, the following documents are attached within Exhibit 2:

- a. Third Interim Fee Application Invoice Number SMBP063-RC
- a. Project Categories for Aggregating Employee Hours
- b. Employee Codes/Full Names
- c. Copies of Applicant's computerized records of fees and expenses in the format specified by the Guidelines which have been served on the Notice Parties with each of the four Monthly Fee Statements

14. There is no agreement or understanding between Applicant and any other person or entity for the sharing of compensation to be received for services rendered in the Chapter 11 cases.

15. The Monthly Fee Applications submitted by Applicant are subject to a 20% holdback imposed by the Court on the allowance of fees. The adjusted aggregate amount of Applicant's holdback during the Application Period is \$2,760.00. Applicant respectfully requests, in connection with the relief requested herein, that the Court allow this holdback amount on an interim basis pursuant to § 330 and § 331 of the Bankruptcy Code and authorize the Debtors to pay such amounts.

D. Description of Services and Expenses and Relief Requested

16. In general, Applicant has represented the Official Committee of Unsecured Creditors in connection with the issue of assessing the fairness of a proposed \$8.7 billion RMBS settlement agreement in the Chapter 11 cases. More specifically, the Applicant has performed the following tasks:

1. RMBS Analysis:

(Fee: \$15,600.00/Hours Billed: 16.00; Expenses: \$0.00)

17. In connection with the Applicant's analysis of the proposed RMBS Settlement, the Applicant performed the following services, among others:

- (a) Reviewed legal filings related to the case and the RMBS Settlement.
- (b) Reviewed expert reports and replies related to the proposed RMBS Settlement.
- (c) Met extensively with counsel for the unsecured creditors committee both on the phone and in person.
- (d) Worked with Coherent Economics to develop an economic model to assess the damages associated with alleged breaches of representations of and warranties.
- (e) Reviewed economic literature related to the financial crisis and its impact on the mortgage market.
- (f) Traveled to New York to make a presentation to the Committee on my initial damage analysis.

- (g) Prepared critiques of opposing expert reports and discussed them with counsel for the committee.
- (h) With support for Coherent Economics, prepared a detailed expert damage report that included a statistical analysis of loan reunderwriting.
- (i) Prepared direct testimony in preparation for the trial on the motion seeking approval of the RMBS Settlement that summarized and extended my expert report.

2. Retention/Fee Application:

(Adjusted Fee: \$824.00/Hours Billed: 3.70)

18. During the Application Period, Applicant spent time preparing fee applications, monthly statements to be provided to the Notice Parties (as defined in the Interim Compensation Order.

19. The descriptions above of services rendered by Applicant are not intended to be exhaustive of the scope of Applicant's activities in the Chapter 11 cases. The time records, aggregated by month and by Project Category within each month, present more completely the work performed by the Applicant during the Application Period.

20. As requested by the Court, Applicant has billed all flights at less than or equal to the coach rate. Expenses for each meal were capped at \$20.00.

CONCLUSION

22. Applicant believes that the services rendered during the Application Period on behalf of the Committee were reasonable and necessary within the meaning of §330 of the Bankruptcy Code. Further, the fees and expenses that have been submitted by the Applicant were actual and necessary to the performance of Applicant's services.

23. Applicant therefore requests and order (i) approving interim compensation of fees in the amount of \$16,424.00 and interim reimbursement of expenses in the amount of \$36.66, (ii)

directing payment of all compensation held back (\$2,760.00) in connection with the Monthly Fee Statements, and (iii) granting such other and further relief as may be just and proper.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Bradford Cornell", written over a horizontal line.

Bradford Cornell

SAN MARINO BUSINESS PARTNERS LLC

607 Foxwood Road

La Cañada, CA 91011

Telephone: 626-833-9978

Facsimile: 213-416-9945

11/18/2013
Date

EXHIBIT 1

*Consultant to the Official Committee
of Unsecured Creditors*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

_____)	
In re:)	Case No.12-12020 (MG)
)	
RESIDENTIAL CAPITAL, LLC, et al.,)	Chapter 11
)	
Debtors)	Jointly Administered
_____)	

**CERTIFICATION UNDER GUIDELINES FOR FEES AND DISBURSEMENTS FOR
PROFESSIONAL SERVICES RELATING TO THE SECOND INTERIM
APPLICATION OF SAN MARINO BUSINESS PARTNERS LLC AS CONSULTANT TO
THE OFFICAL COMMITTEE OF UNSECURED CREDITORS FOR COMPENSATION
AND REIMBURSEMENT OF EXPENSES INCURRED FOR THE PERIOD
FROM MAY 1, 2013 THROUGH AUGUST 31, 2013**

I, Bradford Cornell, hereby certify that:

1. I am the Sole Member and Managing Director of the applicant firm, San Marino Business Partners (the "**Firm**"), which serves as a Consultant to the Official Committee of Unsecured Credits in evaluating the Proposed Settlement of the Debtors' RMBS Liabilities. In my role as consultant, I also serve as an expert witness.

2. This certification is made in respect to the Firm's compliance with the Amended Guidelines for Fees and Disbursements for Professionals in Southern District Bankruptcy Cases, Administrative Order M-389, adopted by the Court on December 21, 2010 (the "**Local Guidelines**"), the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Files Under 11 U.S.C. § 330, adopted on January 1996 (the "**UST Guidelines**") and the Order to Establish Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professional (the "**Interim**

Compensation Order") [Docket 172], and collectively with the Local Guidelines and UST Guidelines, in connections with the Firm's application, dated November 18, 2013 (the "Application"), for interim compensation and reimbursement of expenses for the period commencing May 1, 2013 through August 31, 2013, in accordance with the Guidelines.

3. In accordance with Section B.1 of the Local Guidelines, I certify that:

- (a) I have read and reviewed the Application;
- (b) to the best of my knowledge, the fees and expenses fall within the Guidelines and are billed at rates in accordance with the Firm's customary practices and generally accepted by the Firm's clients;
- (c) the Firm did not make a profit on any of the reimbursable expenses, whether performed by the Firm in-house or by or through a third party.

4. In respect to Section A.2 of the Local Guidelines and with the requirements of the Interim Compensation Order, I certify that the Firm has complied with the provisions requiring it to provide the United States Trustee for the Southern District of New York and the Debtors and their attorneys and has provided them with the monthly statement of the Firm's fees and expenses for May 2013 of the Third Interim Fee Application period. (May 2013 is the only month during which San Marino Business Partners LLC posted any fees and/or expenses.)

5. Further, in respect A. 3 of the Local Guidelines, I certify that each of the Debtors, their attorneys, and the United States Trustee for the Southern District of New York is being provided a copy, of this Application.

Respectfully submitted,

Dated: Pasadena, California
November 18, 2013

SAN MARINO BUSINESS PARTNERS LLC

By: 

Bradford Cornell

607 Foxwood Road

La Cañada, CA 91011

Telephone: 626-833-9978

Facsimile: 213-416-9945

EXHIBIT 2

SAN MARINO BUSINESS PARTNERS LLC

Third Interim Fee Application
(May 1, 2013 through August 31, 2013)

MAY 2013 TIMESHEETS

1

SAN MARINO BUSINESS PARTNERS LLC

SUMMARY OF EXPENSES

(May 1, 2013 through August 31, 2013)

One Certified mailing of the Monthly Fee Statements to each of the 6 parties on the ResCap distribution list (6 *certified/return receipt requested* letters) @ \$6.11 each

Total expenses: **\$36.66** (6 x \$6.11)

Bank of America 

Online Banking

Business Fundamentals Chk - 5193: Account Activity Transaction Details

Posting date: 06/27/2013

Amount: -36.66

Type: Debit card

Purchaser: SAN MARINO BUSINESS PARTNE

Description: USPS 055864060 06/27 #000003568
PURCHASE 967 E COLORADO BL PASADENA
CA CKCD 9402 4635516479677460

Merchant category: Postal Services - Government Only

**Merchant category
code:** 9402

Expense category: Government Services